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REPORT

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Washington, D.C. 20250

WR 44-83

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

JAN 10 '84

WASHINGTON, Nov. 2--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

OILSEEDS AND PRODUCTS

In EGYPT, a privately owned oilseed crushing facility, reportedly the second largest in the country, is scheduled to begin operations in January. The new plant is expected to rely heavily on imported soybeans, with the first year's needs estimated at 50,000 tons. Egypt's soybean imports for the 1982/83 marketing year are estimated at 60,000 tons and are forecast to increase by 15,000 tons during 1983/84.

The Foreign Trade Department of the Bank of BRAZIL (CACEX) reports that exporters have withdrawn 40,000 tons of soybean oil that had been registered for shipment prior to the October 20 CACEX deadline. In mid-September, CACEX halted all soybean and product export registrations from the crop harvested this year. The limiting of export registrations was due to concern that the export sales were threatening to leave the Brazilian domestic market short of supplies. CACEX set the October 20 deadline for exporters to withdraw from soybean oil export sales, without penalty, those registrations they might not be able to fulfill. CACEX is reportedly still studying existing soybean meal supplies to determine availability for export.

In the UNITED STATES, agronomists state that the 1983 growing season's drought and high temperatures have increased the oil content of U.S. soybeans while lowering the level of protein. The higher than normal oil content in this year's soybean crop has had a dampening effect on soybean oil futures prices. At the same time, soybean crushers are reportedly having trouble finding enough high-protein soybeans to sell as 48 percent soybean meal. Some dealers currently are selling 47 percent protein soybean meal, with consequent effects on livestock and poultry feeding levels.

DAIRY, LIVESTOCK AND POULTRY

The JAPANESE Embassy has announced that JAPAN will lower the duty rate on "other" chicken meat from 20 percent to 18 percent, effective April 1, 1984. The duty reduction will apply to all types of chicken meat except bone-in legs, which received a separate tariff classification as a result of a Multilateral Trade Negotiations' agreement. The duty rate on bone-in legs is currently 13.8 percent.

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The duty reduction just announced has mixed results for the United States. U.S. exports of wings, whole birds and some boneless products stand to benefit, but competition for boneless legmeat and other boneless cuts from exporters such as Thailand and China also will be favored. In 1982, Japanese imports of "other" chicken meat were \$84.8 million, while bone-in leg imports amounted to \$72.4 million. The U.S. share of bone-in leg imports was 77 percent, but was only 22 percent of the "other" chicken meat imports whose duty will be reduced in April.

In the SOVIET UNION, total meat production on state and collective farms during January-September 1983 was reportedly up 6 percent from the same period in 1982. Production increases, stemming primarily from a more favorable feed supply situation, include pork (up 10 percent), poultry meat (up nearly 9 percent) and beef (up about 4 percent). Other results include expansion of egg production by 5 percent and milk production by nearly 8 percent. State procurements of these products also are running well above 1982 levels, with meat procurements up 7 percent, milk up more than 10 percent and eggs up 4 percent.

Livestock holdings also have continued to expand. As of October 1, state and collective farms held 93.7 million cattle and 125 million sheep, both about 2 percent greater than in 1982. Hog numbers, at 61.5 million, were up 4 percent, while poultry numbers were nearly 2.5 percent above the 1982 level.

COTTON AND FIBERS

Prospects for U.S. cotton exports to PERU have weakened in light of a recent government decision to allow 7,000 tons of synthetic fiber, rather than cotton, into the country despite textile industry reservations. The primary reason for the government's decision was the price differential between cotton and synthetic fibers. Peru's weather-reduced cotton crop situation was expected to result in a substantial increase in cotton imports during 1983/84.

TOBACCO

BRAZIL's 1983 tobacco exports should total 169,000 tons, about 3,000 more than in 1982. Earlier forecasts placed the 1983 shipments at 160,000 tons. January-August 1983 leaf exports totaled 113,737 tons, up slightly from the same period last year. The 1984 tobacco exports are expected to exceed this year's level and reach 180,000 tons.

POLAND is expected to import about 12,000 tons of unmanufactured tobacco in 1983, slightly above the 11,108 tons of 1982. All of the tobacco imported in 1982 was from European countries, with the exception of 355 tons from Brazil. Poland's last purchases of U.S. tobacco was in 1981. Currently, tobacco imports are limited to quantities sufficient to improve the quality of cigarettes produced and account for about 12-15 percent of total domestic use.

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Poland also exported 4,907 tons of tobacco in 1982, and 1983 exports are expected to increase to 6,000 tons. Very good leaf quality and lower domestic demand are attributed to estimated higher exports in 1983.

FRUITS AND NUTS

Despite a third straight year of variable intensities of drought, SPAIN's 1983/84 citrus crop is forecast at 3.37 million tons by the U.S. agricultural counselor in Madrid. This is up 12 percent from last season's harvest. Yields are expected to be up substantially from last season, while fruit quality--except for lemons--is expected to be as good or better. Drought in key growing areas have reportedly reduced lemon sizes. Due to excess supplies, export problems and continued tristeza virus, Spain's orange area continued an eight-year decline. Lemon area, on the other hand, has increased substantially.

With practically all of Spain's citrus area under irrigation, this season's crop has fared surprisingly well. However, water availability could still affect the crop negatively, especially in the southeastern lemon producing areas where drought is especially severe. The production forecast for 1983/84 and revised 1982/83 figures are as follows in 1,000 tons:

| | Revised 1982/83 | Forecast 1983/84 |
|----------------|--------------------|---------------------|
| Oranges, sweet | 1,652 | 1,835 |
| Tangerines | 920 | 995 |
| Lemons | 426 | 517 |
| Grapefruit | 10 | 13 |
| Other citrus | 17 | 14 |
| Total | 3,025 | 3,374 |

Commercial raisin/sultana production in selected countries of the NORTHERN HEMISPHERE is forecast at 535,800 tons in 1983, 28 percent greater than the 1982 volume. Bumper crops currently are forecast for the three major producers. Only Mexico is expected to show a significant drop in tonnage due to rain damage during the harvesting and drying period.

In terms of quality, this season's Greek sultanas are expected to be the best crop dried during the past 10 years, reflecting ideal growing, harvesting and drying conditions. Reports of extensive rain damage to Turkish sultanas appear to have been exaggerated. Although some quality problems have surfaced, output in 1983 is projected to rise 5 percent from a year ago. Similarly, the U.S. raisin crop sustained very little damage from the inclement weather that plagued most of California's crops this year. Dried tonnage for 1983 currently is estimated at a record 329,000 tons, 42 percent greater than in 1982. Production data are as follows in 1,000 tons, dried basis:

| | 1981 | 1982 | 1983 1/ |
|---------------|-------|-------|---------|
| Greece | 98.1 | 75.0 | 96.5 |
| Mexico | 13.0 | 16.0 | 10.0 |
| Turkey | 110.0 | 95.0 | 100.0 |
| United States | 234.1 | 231.3 | 329.3 |
| Total | 455.2 | 417.3 | 535.8 |

1/ Preliminary.

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Output of dried prunes by major commercial producers in the NORTHERN HEMISPHERE is expected to total 177,500 tons in 1983, only slightly above the 1982 volume. Despite cool, rainy weather, a 7-percent increase in dried production is forecast for the United States. A heavy fresh fruit set and a small increase in bearing area are primarily responsible for the larger output this season. Tonage of dried prunes in Yugoslavia is expected to be the largest since 1970. Several factors contributed to the increase: a high-quality fresh plum crop, attractive purchaser prices, improvements in procurement and handling methods, minimal competition from brandy producers, and continued strong demand for Yugoslavian prunes in the Soviet market.

The production gains forecast for Yugoslavia and the United States will marginally offset the smaller outturn projected for France, where the fresh prune crop was adversely affected by spring and harvesttime rains as well as summer drought. Production data for dried prunes is as follows in 1,000 tons, dried basis:

| | 1981 | 1982 | 1983 1/ |
|---------------|-------|-------|---------|
| France | 28.7 | 35.4 | 25.0 |
| Yugoslavia | 18.8 | 27.3 | 30.0 |
| United States | 144.7 | 114.3 | 122.5 |
| Total | 192.2 | 177.0 | 177.5 |

1/ Preliminary.

Selected International Prices

| Item | : Nov. 1, 1983 | : Change from | : A year |
|------------------------------------|----------------|-----------------|-----------|
| | : | : previous week | : ago |
| ROTTERDAM PRICES 1/ | \$ per MT | \$ per bu. | \$ per MT |
| Wheat: | | | \$ per MT |
| Canadian No. 1 CWRS-13.5%. | 206.00 | 5.61 | -2.50 |
| U.S. No. 2 DNS/NS: 14%... | 186.50 | 5.08 | -1.00 |
| U.S. No. 2 DHW/HW: 13.5%.. | N.Q. | -- | -- |
| U.S. No. 2 S.R.W..... | 159.00 | 4.33 | -1.00 |
| U.S. No. 3 H.A.D..... | 203.00 | 5.52 | +3.00 |
| Canadian No. 1 A: Durum.. | 218.50 | 5.95 | +8.50 |
| Feed grains: | | | |
| U.S. No. 3 Yellow Corn.... | 160.50 | 4.08 | -0.50 |
| U.S. No. 2 Sorghum 2/..... | N.Q. | -- | -- |
| Feed Barley 3/..... | N.Q. | -- | -- |
| Soybeans and meal: | | | |
| U.S. No. 2 Yellow..... | 321.75 | 8.76 | -5.75 |
| Brazil 47/48% SoyaPellets 4/ | 287.00 | -- | -3.00 |
| U.S. 44% Soybean Meal..... | 262.00 | -- | -5.00 |
| U.S. FARM PRICES 5/ | | | |
| Wheat..... | 128.60 | 3.50 | -1.10 |
| Barley..... | 99.21 | 2.16 | -4.13 |
| Corn..... | 127.55 | 3.24 | -.39 |
| Sorghum..... | 108.47 | 4.92 6/ | -5.51 |
| Broilers 7/..... | 1177.26 | -- | +11.02 |
| EC IMPORT LEVIES | | | |
| Wheat 8/..... | 75.40 | 2.05 | -2.60 |
| Barley..... | 53.30 | 1.16 | -4.45 |
| Corn..... | 45.80 | 1.16 | -4.10 |
| Sorghum..... | 63.40 | 1.61 | -4.40 |
| Broilers 9/..... | N.A. | -- | N.A. 10/ |
| EC INTERVENTION PRICES 10/ | | | |
| Common wheat(feed quality) | 168.49 | 4.59 | -2.41 |
| Bread wheat (min. quality) | 184.96 | 5.03 | -2.64 |
| Barley and all | | | |
| other feed grains..... | 168.49 | -- | -2.41 |
| Broilers 11/..... | N.A. | -- | N.A. |
| EC EXPORT RESTITUTIONS (subsidies) | | | |
| Wheat 12/..... | 39.89 | 1.09 | -3.10 |
| Wheat flour..... | 62.00 | N.Q. | N.Q. |
| Barley..... | 24.88 | 0.54 | +4.53 |
| Broilers 9/..... | N.A. | -- | N.A. 10/ |
| Sugar, refined | N.Q. | N.Q. | N.Q. |

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 14 Sept 83 from 22.50 ECU/100 bag set in Feb 1983. 11/ F.o.b. price for R.T.C. broilers at West German border. 12/ Corrective amount in ECU's: Nov. -8, and Dec. -10. Jan. zero. N.Q.=Not quoted. N.A.=None authorized. Note: Basis November delivery.

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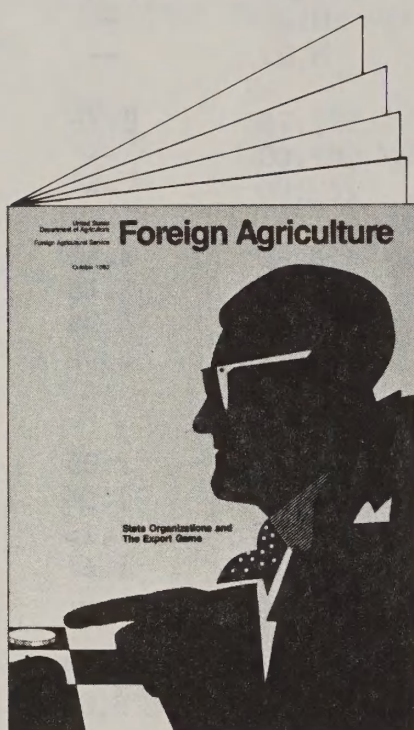
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